

### **REMARKS**

Claims 1-43 are currently pending in this application. Claims 1, 23 and 32 are currently amended. Claims 2-22, 24-31 and 33-43 are original. Claims 44-60 were withdrawn due to a previous restriction requirement. Claims 1-31 are rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claims 1-3, and 5-31 are rejected under 35 U.S.C. § 102(e) as anticipated by or, in the alternative, under 35 U.S.C. § 103(a) as obvious over U.S. Patent Publication No. 2003/0019770 to Hodes (hereinafter, "Hodes"). Claim 4 is rejected under § 103(a) as being unpatentable over Hodes in view of U.S. Patent No. 4,849,948 to Davis et al. (hereinafter, "Davis") and further in view of U.S. Patent No. 5,598,728 to Lax (hereinafter, "Lax"). Claims 32-43 are rejected under § 103(a) as being unpatentable over Hodes in view of Davis. Applicant hereby respectfully traverses these rejections and requests reconsideration in light of the remarks set forth below.

#### **I. Response to Rejections under § 112.**

The Office Action, while rejecting independent claims 1 and 23, states that it is not clear how the communicated "information/data" can be configured to provide the benefit to the user. Applicant points out that the "information" corresponds to the asset, as recited in the claim. This "information" may include, for example and without limitation to, activation information and/or information that may be used to execute a consignment sale of an asset. (See Specification page 19, par. 0075, pg. 21, Par. 0080). The "benefit" present in or on asset may include, for example and without limitation to, an executable computer program, a game or audio or visual data. When the "information" is communicated to a benefit denial system, this benefit denial system may allow a user to enjoy the benefit of an asset. For example, when the user has purchased a CD containing a video game, and the activation information is communicated, the benefit denial system allows for the activation of the video game and thereby provides the benefit of the game to a user. The Office Action uses the example of the phrase "purchasing a CD by John" as being the information that is being communicated to a receiver. Based on the language of the message, this information may be configured to be used by the benefit denial system to provide the benefit to the user. In particular,

the example message conveys to a receiver that John has purchased a CD. A benefit denial system may determine from this information that John has legitimately purchased this CD and thereby should be allowed to reap the benefits of the CD. Consequently, the benefit denial system may be configured, for example, to provide access codes to the CD or activate the CD. Therefore, Applicant submits that claims 1-31 are not indefinite and the § 112 rejections should be withdrawn.

**II. Claims 1, 23 and 32 Patentably Distinguish over Hodes because Hodes requires its smart card to be exposed outside the container prior to any communication.**

Amended claim 1 is directed to an apparatus for use with a benefit denial system. The apparatus includes a containing element configured to receive an asset that comprises a benefit to a user. The apparatus further includes an electrical circuit that is enclosed within the containing element. The electrical circuit has an antenna and is configured to communicate information corresponding to the asset to a receiver outside the containing element. Specifically, the electrical circuit is configured to communicate this information from inside the containing element. The information is configured to be used by the benefit denial system to provide the benefit to the user.

Hodes fails to disclose, teach or suggest an electrical circuit having an antenna configured to communicate from inside the containing element as recited in the claims. As stated in the MPEP §2131, "A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." *Verdegaal Bros. v Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). Also, "the PTO has the burden under § 103 to establish prima facie case of obviousness." *In re Fine*, 837 F.2d 1071 (Fed. Cir. 1988). "To establish prima facie obviousness of a claimed invention all the claim limitations must be taught or suggested by the prior art." *In re Royka*, 490 F.2d 981 (CCP 1974). The Office Action, on pages 3-4, states "Hodes inherently discloses a containing element/package [that] has a circuit and antenna/reader, e.g. smart card 110 with computer chip, and a magnet stripe/reader which can be used for point of sale generated access to remote files/receiver outside the containing element." Applicant respectfully disagrees. Hodes fails to disclose, teach or suggest the smart card 110 as being able to communicate from within the package 2. Hodes explicitly requires the smart card 3 on card 110 be exposed from package 2 in order to be read:

“At the point of sale the data encoded stripe 8 can be sufficiently exposed by sliding it down to allow a clerk to insert the magnetic portion of the data encoded stripe into a POS terminal, such as a Veriphone.RTM.” See Page 4, Par. 0058.

“Access to the data encoded information at the point of sale can be provided by any number of means. For example, in FIGS. 3 & 4 the magnetic stripe 8 is exposed approximately 1/2 inch in this embodiment by pushing the card 3 out of the package 2 using thumb slide 6. The card 3 is retained in bracket 4, which is attached to thumb slide 6. The card 3 is projected through door 18 so that the magnetic stripe 8 can be read using a POS terminal such as a Veriphone.RTM. Industry standards establish up to three tracks to provide encoding. All three tracks may or may not be used.” See Page 4, Par. 0062.

Therefore, at the point of sale, Hodes requires the card to be exposed. Even Figures 11-14 show a notch in the package 2 for allowing the card 3 along with smart card 110 to slide inside and outside the package 2. There is nothing to teach or suggest that an antenna is inherent in such a card, nor is there anything to teach or suggest that Hodes' apparatus has an electrical circuit configured to communicate from inside the containing element, as recited in claim 1. Accordingly, Applicant requests reconsideration and withdrawal of § 102 and § 103 rejection of claim 1 and its dependent claims. Claims 23 and 32, and their dependent claims include similar subject matter and Applicant respectfully requests reconsideration and withdrawal of rejections of these claims, as well.

For the reasons stated above and because claims 2-22, 24-31 and 33-43 depend from, and are limited by, independent claims 1, 23 and 32, Hodes, alone or in combination, cannot teach or suggest all the elements of these claims. Moreover, Davis and Lax do not cure the deficiencies of Hodes. Thus, neither Hodes nor Davis nor Lax, alone or in combination, teach or suggest the elements of the claims. Therefore, Applicants request reconsideration and withdrawal of the 35 U.S.C. § 102 and 103 rejections of these claims. In view of the above amendment, Applicants believe the pending application is in condition for allowance.

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We believe that we have appropriately provided for the fees due in connection with this submission. However, if a fee is due, please charge our Deposit Account No. 06-1075, under Order No. 000879-0015 from which the undersigned is authorized to draw.

Dated: June 23, 2009

Respectfully submitted,

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